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CENTRAL CITY ADULT EDUCATION AGENCY, INC.
FINANCIAL STATEMENTS FOR THE YEAR
ENDED JUNE 30, 1998
AND INDEPENDENT AUDITOR'S REPORT

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date ~~NOV 20 1998~~

**CENTRAL CITY ADULT EDUCATION AGENCY, INC.
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INDEPENDENT AUDITOR'S REPORT

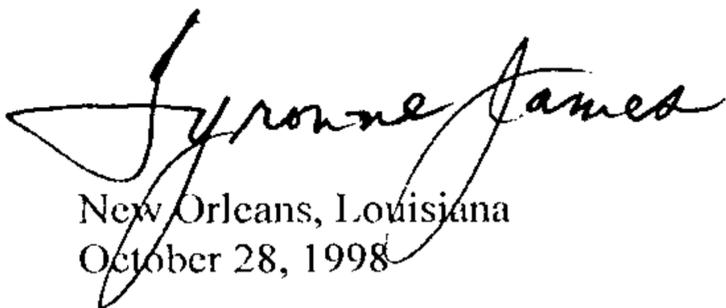
To the Board of Directors of
Central City Adult Education Agency, Inc.

I have audited the accompanying statement of financial position of the Central City Adult Education Agency, Inc. (a nonprofit organization) as of June 30, 1998, and the related statement of activities and statement of cash flows for the year then ended. These financial statements are the responsibility of Central City Adult Education Agency, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States' and the provisions of Office of Management and Budget Circular A-133 "Audits of Institutions of Higher Education and Other Nonprofit Institutions." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central City Adult Education Agency, Inc. as of June 30, 1998, and the changes in its net assets for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 28, 1998, on my consideration of Central City Adult Education Agency, Inc.'s internal control over financial reporting and a report dated October 28, 1998, on its compliance with laws and regulations, contracts and grants.


New Orleans, Louisiana
October 28, 1998

**CENTRAL CITY ADULT EDUCATION AGENCY , INC.
 STATEMENT OF FINANCIAL POSITION
 AS OF JUNE 30, 1998**

ASSETS

Current Assets

Cash \$ 8,170

TOTAL CURRENT ASSETS 8,170

FIXED ASSETS

Equipment \$ 9,820
 Accumulated Depreciation (5,356)

TOTAL FIXED ASSETS 4,464

TOTAL ASSETS \$ 12,634

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts Payable \$ 2,500
 Payrolls Payable 1,743

TOTAL CURRENT LIABILITIES 4,243

Net Assets

Net Assets 8,391
 Change In Net Assets 0

TOTAL NET ASSETS 8,391

TOTAL LIABILITIES AND NET ASSETS \$ 12,634

See the Accompanying Notes to the Financial Statements.

CENTRAL CITY ADULT EDUCATION AGENCY , INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1998

REVENUE

Grant Revenue \$111,631

TOTAL REVENUE 111,631

EXPENSES

Program Services

Contract Labor \$ 77,010

Salaries & Wages 970

Payroll Taxes 6,730

Support Services

Rent 7,100

Accounting 3,600

Office Expense 8,393

Audit Fees 2,500

Depreciation 1,964

Telephone 1,546

Utilities 1,301

Insurance 370

Postage 128

Bank Charges 19

TOTAL EXPENSES 111,631

NET CHANGE IN NET ASSETS 0

See the Accompanying Notes to the Financial Statements.

**CENTRAL CITY ADULT EDUCATION AGENCY , INC.
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1998**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase In Net Assets	0
Changes in Operating Assets and Liabilities:	
Depreciation Expense	\$ 1,964
Decrease in Due from Others	1,150
Decrease in Accounts Payable	(11)
Decrease in Deferred Revenues	(1,631)
Increase in Payrolls Payable	1,743
	<hr/>

Net Increase in Cash From Operating Activities 3,215

CASH FLOWS FROM INVESTING ACTIVITIES 0

CASH FLOWS FROM FINANCING ACTIVITIES

0

NET INCREASE IN CASH AND CASH EQUIVALENTS 3,215

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

4,955

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 8,170

See the Accompanying Notes to the Financial Statements.

**CENTRAL CITY ADULT EDUCATION
AGENCY, INC.**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

General - Central City Adult Education Agency, Inc. is located at 2103 Louisiana Avenue in New Orleans, Louisiana. Central City Adult Education Agency, Inc. is a nonprofit entity which provides and offers educationally disadvantaged adults basic education and literary training which prepares the participants for the high school equivalency test.

2. BASIS OF ACCOUNTING

The financial statements of Central City Adult Education Agency, Inc. are prepared on the accrual basis of accounting. Accordingly, revenue is recorded when earned and expenses are recorded when incurred.

3. CASH

Cash is comprised of cash on hand and in banks.

4. INCOME TAXES

The organization is exempt from federal and state income taxation under the provisions of Internal Revenue Code Section 501(c)(3).

5. FIXED ASSETS

Fixed assets are recorded at cost. Depreciation is computed using the straight line method over a 5 year useful life.

Equipment is summarized as follows:

Computer Equipment	\$ 2680
Office Equipment	<u>7140</u>
Total	9820
Less: Accum. Depr.	<u>(5356)</u>
Net	\$ <u>4464</u>

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Central City Adult Education Agency, Inc.

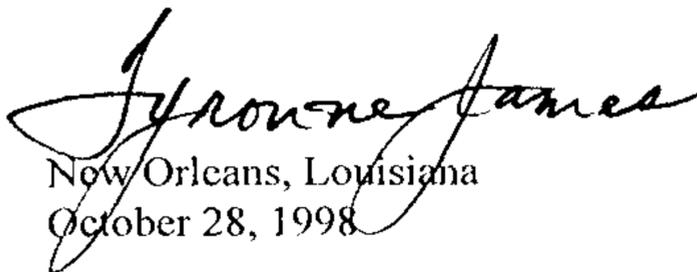
I have audited the financial statements of Central City Adult Education Agency, Inc. (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued my report thereon dated October 28, 1998.

I conducted my audit in accordance with general accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Non-profit Organizations." Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the grant fund is the responsibility of Central City Adult Education Agency, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Central City Adult Education Agency, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of Central City Adult Education Agency, Inc.'s Board of Directors, management, the City of New Orleans and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.


New Orleans, Louisiana
October 28, 1998

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Central City Adult Education Agency, Inc.

I have audited the financial statements of Central City Adult Education Agency, Inc. (a nonprofit organization) as of and for the year ended June 30, 1998, and have issued my report thereon dated October 28, 1998.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other nonprofit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Agency is responsible for establishing and maintaining internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control system, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

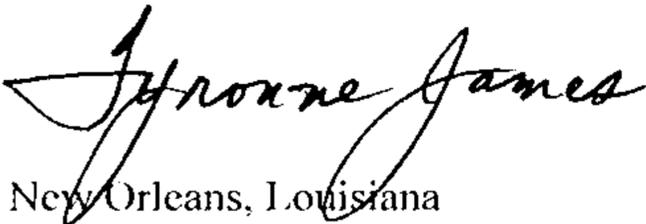
In planning and performing my audit of the financial statements of Central City Adult Education Agency Inc. for the year ended June 30, 1998, I obtained an understanding of internal controls. With respect to internal controls, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on internal controls. Accordingly, I do not express such an opinion.

I noted no matters involving internal controls and their operation that I consider to be a reportable conditions under the standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control system that, in my judgement, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the components of internal control does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of internal controls would not necessarily disclose all matters in the system of internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to the material weaknesses as defined above.

This report is intended for the information of Central City Adult Education Agency Inc.'s Board of Directors, management, the city of New Orleans and the Legislature Auditor of the State of Louisiana. However, this report is a matter of public record, and its distribution is not limited.



Tyrone James

New Orleans, Louisiana
October 28, 1998

**CENTRAL CITY ADULT EDUCATION
AGENCY**

**2103 Louisiana Avenue
New Orleans, Louisiana 70115**

**SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 1998**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

<u>FINDINGS</u>	<u>STATUS</u>
1997-1 Grant Agreement not on file. The Agency should ensure that a copy of the approved grant agreement is on file.	Resolved.
1997-2 The audit was not completed timely. The Agency should ensure that the auditors are engaged timely so that the report is issued within six months after the close of the fiscal year. Administrative support should be provided to the auditors.	Resolved

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

<u>FINDINGS</u>	<u>STATUS</u>
1997-No findings	

SECTION III MANAGEMENT LETTER

1997-None